

Vermont Department of Public Service
Request for Proposal to Develop and Conduct a Comprehensive Statewide
Public Engagement Process for Vermont's Energy Future

August 8, 2006

1. Overview

The Vermont Department of Public Service is an agency within the executive branch of Vermont state government. The Department is the State Energy Office as well as represents the public interest in matters regarding energy, telecommunications, water and wastewater. The mission of the Department is to serve all citizens of Vermont through public advocacy, planning, programs, and other actions that meet the public's need for least cost, environmentally sound, efficient, reliable, secure, sustainable, and safe energy, telecommunications, and regulated utility systems in the state for the short and long term.

The Department has been tasked with conducting a public engagement process to obtain meaningful feedback from the community in regards to energy sources for 2012 and beyond. The Department is interested in the proposals that will accomplish a balanced and relevant engagement of the public, and offer as examples the following methods and components:

- A. A scientific polling method, such as deliberative polling, designed to involve residents of the State of Vermont, through a representative sampling;
- B. A facilitated web-oriented process, intended to broaden the reach of the overall public engagement; and
- C. Town meetings and community outreach activities; and
- D. Creation of educational materials to be used with all three components. Such materials should be neutral and not take a position on the value of any one particular source of energy.

The Department of Public Service is seeking the services of a qualified contractor to develop, conduct and document a public involvement process that would result in a comprehensive statewide public engagement process on energy planning, focused on electric energy supply choices facing the state beginning in 2012. Contractors can bid on the entire project (alone or in conjunction with other parties) or discreet project elements.

2. Background

The Department of Public Service will conduct, in partnership with duly appointed members of the Vermont General Assembly, a comprehensive, statewide public engagement process on energy planning focused on energy supply choices facing the state beginning in 2012 and beyond. The purpose of the process will

be to educate the public about the energy supply challenges facing the state; to gather meaningful and informed public input about values and preferences of Vermonters regarding energy supply; and by achieving the first two objectives, to ensure broad-based public understanding and acceptance of the resulting choices.

Vermont utilities must replace 2/3 of Vermont's electric supply between 2012 and 2016. Vermont's utilities are responsible for replacing these resources. Some or all of these choices will require regulatory or governmental approval. Each potential choice has great implications for the social, economic and environmental condition of our state. Due to the significance of the choices, public understanding, input, and support for the ultimate decisions is essential.

The engagement process must be designed to gather public information and will consider the acceptability of extending the Vermont Yankee license beyond its expiration date. Vermont Yankee Nuclear is the State's lone nuclear power plant. Consideration of this option requires a thorough evaluation of public sentiment and the economic as well as environmental considerations related to extending Vermont Yankee's license.

The level of urgency to replace supply is high among advocates but low (although probably increasing) within general public. All Vermonters are stakeholders, demanding approaches that reach throughout the state. The Department seeks to educate the public on a highly technical subject matter in a relatively short amount of time (16 Months).

3. Previous Vermont Engagement Processes

There have been recent energy-related public engagement processes throughout Vermont. The Governor's Commission on Wind was convened to solicit feedback on wind power. The Vermont Agency of Natural Resources (ANR) facilitated meetings to gather input prior to ANR drafting a policy concerning wind power on state-owned lands.

The Department of Public Service has sponsored an independent project called Mediated Modeling. This is a small group (22) of diverse, representative stakeholders that meets 12 half-days per year to seek consensus on what constitutes valid data and a supportable model for energy resource decision-making. The process seeks to create credible data and a robust model for use in future dialogue and decision-making around energy issues.

In another example, Vermont's largest electric utility, Central Vermont Public Service (CVPS), established the Southern Loop Search Conference Process, which sought to develop recommendations to CVPS regarding solving transmission constraints in Southern Vermont. The process included 60+ diverse, representative stakeholders, guided by a steering committee that met for

two days to provide input into decisions by CVPS (and ultimately the Public Service Board).

Finally, in the last legislative session, the General Assembly passed two bills that call for this public engagement process. Excerpts from these bills are attached.

4. Project Scope

The Vermont Department of Public Service, in conjunction with the Vermont General Assembly, wishes to engage in a public involvement process to foster a better understanding of the issues and choices that need to be made. Therefore, it is imperative we incorporate prevailing public values and expectations into energy decisions. We need to resolve potential conflicts among competing interests because energy decisions inherently involve trade-offs. To do this, we must effectively engage a broad cross section of Vermonters, inform them of our range of choices, and hear their ideas.

Characteristics of effective public participation:

- It is seen as a way for government to earn the mandate that it needs to act;
- It is well-integrated into the decision-making process;
- The interested public is involved throughout the decision-making process;
- Programs are structured to ensure all affected stakeholders are involved (not just have access);
- Multiple techniques address the needs of different audiences;
- Broad based public understanding, acceptance and support for the final recommendations.

A. Scientific Polling

Our expectation is that this element of the process introduces a statistically valid sample of Vermonters to determine their preferences for various energy supply strategies. We have considered deliberative polling as a sound approach but are willing to consider other options that achieve the same outcome.

B. Web Portal

We envision a web site that will provide background material on the overall public engagement process, online message boards or “blogs” and an online survey.

C. Public Meetings

Reaching a geographically diverse cross-section of Vermont is critical to the integrity of the project. We expect that there will be a combination of information sharing and taking of public comment. We are open to ideas around the planning of these forums to ensure that the town meeting component is as productive as possible.

D. Informational Materials

To ensure accuracy of this process, development of informational materials on various sources of energy and their dimensions is critical. We require accurate, balanced and referenced materials that will help the public better understand the various choices available.

5. Instructions to Bidders

5.1 The Bidder is specifically notified that any failure to comply with any part of the

Request for Proposal (RFP) may result in rejection of the response.

5.2 One original and two paper copies, along with an electronic copy, of the bid response must be received by **4:30 P.M., August 28, 2006**. Please address bids to:

Department of Public Service
112 State Street
Montpelier, Vermont 05620-2601
E-mail: Stephen.wark@state.vt.us (For questions only)
Attn: Stephen Wark

5.3 Questions regarding substantial interpretation of the RFP should be directed in writing to the contact person identified in 5.2 above. The question and the response will be provided to all entities in the distribution list of this RFP.

5.4 Late responses may be automatically disqualified from further consideration. Bidder's mailing responses should allow normal mail delivery time to ensure timely receipt of their responses by the Department.

5.5 All responses and the accompanying documentation become the property of the State of Vermont and will not be returned.

5.6 Responses must be signed and dated by the President or Executive Director if the Bidder is a corporation, the managing partner if the Bidder is a partnership, or the proprietor if the Bidder is a sole proprietorship.

5.7 In the event that it becomes necessary to revise any part of this RFP, addenda will be provided to all persons/firms who receive the RFP. If any prospective Bidder has reason to doubt that the State of Vermont is aware of the Bidder's interest, it is incumbent upon the Bidder to notify the State of Vermont to be sure that the RFP or addenda are received.

5.8 The State of Vermont reserves the right to make an award without further discussion of the response submitted. Therefore, any response submitted should provide the most favorable terms that the Bidder can propose. The Bidder shall

specifically state that the response is predicated upon the acceptance of the terms and conditions contained in the RFP. The Bidder should be prepared to accept this RFP for incorporation into a contract resulting from this RFP. Contract negotiation may provide for the incorporation of the Bidder's response. It is understood that the response will become a part of the official file on this matter without obligation. This RFP does not, however, obligate the State of Vermont to contract for services specified herein.

5.9 Time is of the essence. The completion of performance of any contract resulting from this RFP will be **18 months** from the start date. The start date will be determined by the State of Vermont, taking into account appropriate considerations for project scheduling. Amendments extending the period of performance, if any, shall be at the sole discretion of the State of Vermont.

5.10 Responses must explicitly identify the Bidder's fixed price for all services specified in this bid request.

5.11 The proposals will be reviewed and evaluated by staff of the Department of Public Service and the Vermont General Assembly's Joint Energy Committee. The State of Vermont reserves the right to accept or reject any or all proposals received without penalty. The final selection, if any, will be that response which, in the opinion of the State of Vermont, after review of all submissions, best meets the requirements set forth in the RFP and is in the best interest of the State of Vermont.

5.12 The State of Vermont is not obligated to accept the lowest bid.

5.13 The cost of preparing, submitting and presenting a submission in response to this RFP is the sole expense of the Bidder.

5.14 The contract awarded for this project will be a fixed price contract based on the accepted Bidders' proposal.

5.15 Bidders shall provide copies of articles of incorporation and documents of legal authority to conduct commerce.

5.16 Insurance. Before commencing work on this project, the Contractor must provide certificates of insurance to show that the following minimum coverages are in effect. It is the responsibility of the Contractor to maintain current certificates of insurance on file with the state through the term of the contract.

- Workers Compensation: With respect to all operations performed, the Contractor shall carry workers compensation insurance in accordance with the laws of the State of Vermont.
- General Liability and Property Damage: With respect to all operations performed for this project and under contract, the Contractor shall carry

general liability insurance having all major divisions of coverage including but not limited to:

- a. Premises – Operations
 - b. Independent Contractor's Protective
 - c. Products and completed operations
 - d. Personal Injury Liability
 - e. Contractual liability
- The policy shall be on an occurrence form and limits shall not be less than:
- a. \$1,000,000.00 per occurrence
 - b. \$1,000,000.00 General Aggregate
 - c. \$1,000,000.00 Products / Completed products aggregate
 - d. \$50,000 Fire legal liability.

5.17 We seek qualified bidders with a neutral history related to energy and the utilities sector in Vermont. To help better evaluate the qualifications, Bidders shall disclose in detail, any past or ongoing activities involving energy or utilities, to include but not limited to:

- Participation or hosting of educational processes in energy or utility sector;
- Advocacy in the energy or utility industry;
- Lobbying or testimony related to the energy or utility industry;
- Articles or public documents written related to the energy or utility industry;
- Public statements or presentations that could be construed as advocating for a position in relation to energy or the utilities industry.

6. Proposal Specifications

The proposal should be organized to include the following information:

6.1 A description of the Bidder's experience and capability in completing the work described in this RFP, including its history, organization and size.

6.2 A list of contracts performed by the Bidder with an adequate narrative that will allow the Department to understand the nature and extent of each contract, and an indication as to those clients which may be contacted as references.

6.3 A presentation of the Bidder's proposed approach to achieving the requirements of this RFP. This should include:

- A proposed scope of work with an explanation of technical approaches and a detailed outline of the proposed program.
- A comprehensive proposed work plan, complete with milestones and a time schedule to accomplish the definition of this project and the Technical Specifications of this RFP.
- Statements and discussion of anticipated difficulties and problem areas, together with potential or recommended approaches for their solution.
- Resumes, with detailed qualifications and levels of competence, of individuals to be assigned to this project.

- Names, addresses, and telephone numbers of three client references and a brief description of the type of service provided in the contracts. The Bidder must grant permission to the State of Vermont to contact all references provided.
- A statement as to whether the Bidder's business qualifies under federal statute as a minority or woman-owned business.
- Proposed charges for a fixed price contract to complete the work described in this RFP.

7. Technical Specifications

7.1 The Bidder shall propose a process to address elements of this RFP including, but not limited to:

- Familiarize themselves with and make effective use of Mediated Modeling outcomes.
- Familiarize themselves with and make effective use of other public information efforts (Southern Loop, etc).
- Select process (es) that include (s) a strong emphasis on providing participants with credible expert resources during deliberation.
- Incorporate an invitation process that ensures broad representation rather than relying upon self-selection, with an estimation of the number of participants necessary to achieve an accurate and relevant sampling.
- Ensure participation of interested utilities.
- Engagement of policy makers and elected officials at the state and local level.
- Provide process training to State point of contact and appointed team.
- Plan for engagement processes throughout the state, minimum of five, with an emphasis on population differences, and adequate resources for all regions.
- Adherence to a 14-month schedule to be determined by the Department representative and the Bidder.
- Delineate the formative and substitutive outcomes for this process.
- A project milestone schedule, by month.
- Incorporate two kick-off meetings for varying levels of leadership.
- Couple face-to-face engagement process with strong public information component to increase awareness and interest.
- Ensure easy access to the process.
- Consider multiple processes, including electronic tools (such as on-line dialogues) to maximize opportunities for participation.
- Conduct engagements in proximity to the nuclear energy generating facility in Vernon, Vermont and other locations as determined by the Public Service Department.
- Create a web site for participants to view and download work products
- Create written materials or varying formats, credited and verified, to serve as informational materials for process participants. These materials

- should accurate, appropriate for the state, and in format understood by laypersons and content experts.
- Outline in detail how the proposal will incorporate the following dimensions:
 - Safety and risks
 - Efficiency
 - Reliability
 - Least cost
 - Market trends
 - Compatibility with regional initiatives
 - Security
 - Environmental feasibility
 - Sustainability
 - Compare aforementioned dimensions against differing potential sources of energy.
 - Time for completion of construction
 - Follow-up will include:
 - Schedule regular feedback sessions to the Department and take corrective actions based on feedback.
 - Reports would be produced from each of the processes.
 - One final, comprehensive report would be prepared at the end of the series.
 - Resulting public recommendations and input would be distributed widely to public officials, utilities and the general public.
 - Discussion points regarding extended operation of the Vermont Yankee facility will include:
 - Regional and national implications of nuclear energy.
 - Long-term economic and environmental issues relating to the operation of any nuclear facility in the state;
 - Potential need for the operation of the facility and its long-term economic and environmental benefits, risks, and costs; and
 - An assessment of all practical alternatives to those set forth in the applicant's petition that may be more cost-effective or that otherwise may better promote the general welfare.

8. Project Management

8.1 The successful Bidder, herein called "Contractor," shall meet with representatives of the Department and Joint Energy Committee no later than one week after the contract is in force to discuss the major elements of a work plan.

8.2 The Contractor shall have on file with the Department an approved work plan, as submitted in their proposal and modified only with approval of the department, no later than 30 days after a contract is in force. This work plan would identify major milestones and the dates by which these milestones will be accomplished.

8.3 The Contractor shall provide semi-monthly reports documenting activities conducted under the awarded contract, including materials developed and distributed, summaries of meetings and discussions, and other related activities. The frequency of status reporting may change based upon the needs of the project.

8.4 The Contractor shall provide written reports, (which include at least three paper copies as well as an electronic version with all support materials) acceptable to the Department, following completion of all items listed in each section (5.1) above. In addition, the Contractor at the completion of the contract shall issue the final plan for the proposed engagement process.

8.5 The Department shall approve the format, design, layout and content of any and all materials for use at any or all parts of this process.

9. Bid Evaluation Criteria

9.1 Proposals shall be evaluated by the Department using the following criteria:

- Experience of Bidder in conducting similar public engagement planning processes in other states or regions that are designed to provide public policy recommendations to the Governor and Legislature, the satisfaction of those states or regions with the process conducted, and its products and results.
- Breadth of Bidder's experience and expertise across multiple sectors and disciplines, but including energy policy, generation, transmission.
- Experience of Bidder in framing public involvement energy planning processes, conducting the start-up planning essential to the success of such processes, and providing close communication and substantial assistance to management throughout the process.
- Ability of Bidder to proceed forthwith in developing, launching, and conducting a public focus group-based energy planning process tailored to Vermont's specific needs and character.
- Experience and ability of Bidder to secure additional cost shared funding from private and other sources to leverage the State's financial support for this process.
- Confidence in Bidder's ability to deal with unexpected surprises and contingencies that may arise in the course of public involvement energy planning processes.
- Confidence in Bidder's ability and experience in conducting public focus group-based processes in a balanced and even-handed manner with respect to Vermont's unique character.
- Confidence in Bidder's experience, expertise, and facility in productively engaging industry, trade, recreation, tourism, environmental and other interests in public involvement processes.
- Quality, clarity, and specificity of the approaches, plans, and procedures to be used to perform the services required.

- Neutrality in energy positions within the State of Vermont.
- Experience and ability of Bidder to provide ancillary services including, but not limited to, public website development, support, and management, and post-process implementation and follow-up assistance.
- Quality of state or regional references with respect to comprehensive, public focus group-based state energy planning processes.
- Price (including hourly rate).

Sec. 2. PUBLIC ENGAGEMENT IN POWER PLANNING

(a) The state shall conduct a comprehensive statewide public engagement process on energy planning, focused on electric energy supply choices facing the state beginning in 2012. The commissioner of public service and the joint energy committee shall develop and implement a public engagement process through a request for proposal (RFP) process that meets the following requirements:

(1) to provide a strong information dissemination component, in order to develop a shared foundation of credible information that may serve as a basis for engaging in a meaningful dialogue;

(2) to be conducted in a manner that recognizes that potential choices for Vermont's electric energy supply may be precluded by the passage of time;

(3) to engage a broad base of Vermonters, including those who are currently engaged in energy issues as well as those who have not yet been engaged;

(4) to reach throughout the state, as all Vermonters are stakeholders in this issue; and to establish a model for educating the public about the electric energy supply challenges facing the state.

(b) In a manner consistent with available resources and consistent with subsection (a) of this section, the commissioner of public service shall assist communities to identify local and regional energy opportunities, such as combined heat and power sites, and energy efficiency opportunities that will fit into the community, and to assist communities interested in developing community energy plans or community climate change action plans, as well as those communities that are facing major capital energy projects.

(c) By November 15, 2007, the commissioner of public service shall submit a report to the legislative committees on natural resources and energy, on commerce, and on finance describing the progress of the public education and engagement process.

NO. 160. AN ACT RELATING TO A CERTIFICATE OF PUBLIC GOOD FOR
EXTENDING THE OPERATING LICENSE OF A NUCLEAR POWER PLANT.

(S.124)

XXX

Sec. 4. 30 V.S.A. § 254 is added to read:

§ 254. CONSTRUCTION OR EXTENDED OPERATION OF NUCLEAR
PLANT; PUBLIC ENGAGEMENT PROCESS

XXX

(b) Public engagement and fact-finding.

(1) The objectives of the studies to be arranged by the public service department with the review of the joint energy committee and the objectives of the public engagement process as a whole shall be:

(A) to facilitate public discussion of long-term economic and environmental issues relating to the operation of any nuclear facility in the state;

(B) to identify and assess the potential need for the operation of the facility and its long-term economic and environmental benefits, risks, and costs; and

(C) to assess all practical alternatives to those set forth in the applicant's petition that may be more cost-effective or that otherwise may better promote the general welfare.

(2) The studies arranged by the department in consultation with the joint energy committee and the public engagement process, in general, shall:

(A) identify, collect information on, and provide analysis of long-term accountability and financial responsibility issues, such as:

(i) funding plans for guardianship of nuclear waste after licensure but before removal of nuclear waste from the site;

(ii) closure obligations, dates of completion, and assurance of funds to secure fulfillment of those closure obligations;

(iii) federal obligations and assurance of funds to provide for any undischarged federal responsibilities;

(iv) funding for emergency management requirements and evacuation plans before and after plant closure; and

(v) any other financial responsibility related to any periods in which the facility is out of service.

(B) identify, collect information on, and provide analysis of long-term environmental, economic, and public health issues, including issues relating to dry cask storage of nuclear waste and decommissioning options.

(C) identify, collect information on, and provide analysis of current economic issues, in light of the fact that the operation of the nuclear energy generating plant beyond the date permitted in any previous certificate of public good is to be evaluated under present day cost-benefit assumptions and analyses and not as an extension of the cost-benefit assumptions and analyses forming the basis of the previous certificate of public good for the operation of the facility.

(3) In conducting its part of the public engagement process, the department shall conduct no less than three public meetings. The meetings shall be at separate locations within the state, in proximity to the nuclear energy generating facilities involved as well as in other locations as determined by the department, and each shall be noticed by at least two advertisements, each occurring between one and three weeks prior to the meetings, in newspapers having general circulation within the state and within the municipalities in which the meetings are to be held. Copies of the notices shall be provided to the public service board, the general assembly, the agency of natural resources, the department of health, the agency of transportation, the attorney general, and each retail electricity provider within the state. During this public engagement and fact-finding process the department shall have authority to retain expert witnesses, counsel, advisors, stenographic and other research assistance it may require. The department may compensate the same and allocate related costs, as well as the costs of procuring the studies, to the owner of the Vermont Yankee nuclear power station, in the same manner authorized for personnel in particular proceedings under sections 20 and 21 of this title. The department shall prepare a report of the proceedings containing a discussion of the principal contentions made by members of the public, analyses by any expert witnesses or consultants retained by the department, presentations by any state agency, and by any utility, and shall provide the same to the members of the committees on natural resources and energy, the house committee on commerce, and the senate committee on finance, and to the public.

(4) The public engagement and fact finding process set forth in this section may be held in conjunction with or separately from the statewide public engagement process on energy planning to be conducted by the department pursuant to the energy security and reliability act.

(5) The general assembly shall conduct proceedings it deems appropriate in order to complete the fact finding and public engagement process.